

**AQAA**  
**DAR COUNCIL ACTIVITY REPORT**  
**24 September 1997**

**FAR/DFARS Cases Discussed:**

97-D027	<b>Title to Government Property:</b> Reduces amount of Government property in the possession of DoD contractors. Proposed rule had been agreed to on 09/17/97, subject to reclama comments by 09/24/97.	Navy/Army/DLA comments will be submitted by case manager to Mr. Donatuti, OSD, for consideration and will be considered as public comments if not adopted pre-publication. Otherwise, coverage will be published as proposed rule.
97-H704	<b>Committee Actions:</b> Chair, DFARS Contract Placement Committee.	DAR Council requested nominations by 10/01/97.
90-009F	<b>Electronic Funds Transfer:</b> Broadens use of electronic funds transfer for contract payments.	Agreed to Finance Cmte version of draft proposed rule coverage, with edits. Will be forwarded to CAAC for its review and comments. Council will likely see case again before it is published.
96-605	<b>Modular Contracting Language:</b> Provides guidance on modular contracting as required by Div. E, PL 104-106.	Agreed to final rule, as proposed by CAAC.
97-300	<b>Liquidated Damages:</b> Implements statutory requirement to use liquidated damages if contractor fails to comply with Subsection 19.7. Further implements OFPP Policy Letter 95-1, Subcontracting Plans for Companies Supplying Commercial Items.	Agreed to proposed rule, as edited. Major edits are to add a statement that commercial plans are preferred for subcontractors that provide commercial items and to retain the current FAR 19.705-4(d)(4) statement recognizing contractors' long-standing contracting relationships.
96-D021	<b>Sales Commissions and Contingent Fees--FMS:</b> Conforms definitions at 235.001 with the definitions in the Financial Management Regulations (DoD 7000.14-R).	Agreed to final rule, as edited, subject to discussion 10/01/97 of need to coordinate fee limitation with State Dept. Edit to add "and acceptance" after "letters of offer" in 225.7303-4(b)(1).
97-D028	<b>Commercial Ball and Roller Bearings--Components of Noncommercial Items:</b> Reconciles inconsistency between DFARS 212.504(a)(xviii), which provides that domestic source restrictions of 10 USC 2534 are not applicable to subcontracts at any tier for acquisition of commercial items or commercial components, and the exemptions at 225.7019-2(a)(2) and the associated clause at 252.225-7016, to the domestic source restrictions of 10 USC 2534 relating to the acquisition of ball or roller bearings, which do not provide an exemption for bearings that are commercial components of noncommercial end products, except in acquisitions using simplified acquisition procedures.	Agreed to proposed (vice final) rule, so that public comments can be obtained.

**NOTE 1:** The Director Defense Procurement has accepted the nomination of Mr. Maurice Poulin, AQOG, to serve as Chair, Quality Assurance Committee on the DAR Council. Mr. Poulin replaces Ms. Paula Metcalf, AQOC.

**NOTE 2:** Office of Information and Regulatory Affairs (OIRA) cleared FAR Part 15 final rule 09/23/97. Should be published week of 09/29/97. Disk containing coverage has been provided to MMPPP.

**NOTE 3:** Federal Acquisition Institute (FAI) is developing training for FAR Part 15 which is scheduled to be completed by end of October 97. Training will consist of four exercises. The FAI Internet homepage contains available information at <http://www.gsa.gov/staff/v/training.htm>.

**NOTE 4:** The White House has delayed publication of Adarand coverage until 11/01/97. No word yet on date of release of empowerment coverage.

**NOTE 5:** Part of Army staff moved from Pentagon to Skyline this week.